



# LAWS OF ALASKA

1990

**Source**

HCS CSSB 428(Fin)

**Chapter No.**

193

**AN ACT**

Relating to the Alaska marine highway system, its funding and its budget; establishing the Alaska marine highway system fund; and providing for an effective date.

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**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

THE ACT FOLLOWS ON PAGE 1, LINE 11

Approved by the Governor: June 26, 1990  
Actual Effective Date: July 1, 1990

AN ACT

Relating to the Alaska marine highway system, its funding and its budget; establishing the Alaska marine highway system fund; and providing for an effective date.

\* Section 1. AS 19.65 is amended by adding new sections to read:

ARTICLE 2. ALASKA MARINE HIGHWAY SYSTEM FUND AND BUDGET.

Sec. 19.65.050. LEGISLATIVE FINDINGS, PURPOSE, AND INTENT. (a)

The legislature finds that

(1) the Alaska marine highway system is an essential part of the state transportation system, and that it warrants continued and predictable state support;

(2) many communities' economies are dependent on a steady and stable marine highway system service level;

(3) the state's tourism industry is greatly enhanced by a dependable marine highway transportation network; and

(4) efficient and prudent management of the system will benefit the state's economy and foster economic development.

(b) It is the purpose of AS 19.65.050 - 19.65.100 to

(1) enable the Alaska marine highway system to manage and operate in a manner that will enhance performance and accountability by allowing the system to account for and spend its generated revenue;

(2) provide the management tools necessary to efficiently operate the Alaska marine highway system;

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1 (3) within constitutional constraints, provide for a pre-  
2 dictable funding base for system operations; and

3 (4) provide for predictability and stability in the service  
4 level furnished to communities served by the system.

5 (c) It is the intent of AS 19.65.050 - 19.65.100 to

6 (1) encourage prudent administration through cost manage-  
7 ment and accurate budgeting by managers of the Alaska marine highway  
8 system;

9 (2) increase revenue from the operation of the system  
10 consistent with the public interest, increase service consistent with  
11 sound fiscal policy, and assist the prudent management and operation  
12 of the system; and

13 (3) achieve stability in the level of service communities  
14 can anticipate through accurate planning and scheduling.

15 Sec. 19.65.060. ALASKA MARINE HIGHWAY SYSTEM FUND. (a) There-  
16 is created, as a special account in the general fund, the Alaska  
17 marine highway system fund, into which shall be deposited

18 (1) the gross revenue of the Alaska marine highway system;

19 (2) money that is appropriated to the Alaska marine highway  
20 system fund by the legislature in an amount that is consistent from  
21 year to year and is the amount necessary, after consideration of gross  
22 revenue, to provide stable services to the public consistent with the  
23 provisions of AS 19.65.050(b)(4), which appropriations are not one-  
24 year appropriations and the balances of which do not lapse under  
25 AS 37.25.010; and

26 (3) any other money that is appropriated to the Alaska  
27 marine highway system fund by the legislature, which appropriations  
28 are not one-year appropriations and the balances of which do not lapse  
29 under AS 37.25.010.

1 (b) Nothing in this chapter exempts money deposited into the  
2 Alaska marine highway system fund from the requirements of AS 37.07  
3 (Executive Budget Act) or dedicates that money for a specific purpose,

4 Sec. 19.65.070. REVENUE ACCOUNTING. (a) The Alaska marine  
5 highway system shall account for and remit to the Department of Reve-  
6 nue in accordance with AS 37.10.050 all gross revenue generated from  
7 the operation of the Alaska marine highway system during each annual  
8 operating cycle. The money shall then be deposited in the Alaska  
9 marine highway system fund.

10 (b) The Alaska marine highway system shall submit a written  
11 report to the legislature, no later than the 10th day of each regular  
12 legislative session, regarding the previous annual operating cycle.  
13 The report must identify

14 (1) gross revenue generated during the previous annual  
15 operating cycle;

16 (2) gross revenue generated during the current annual  
17 operating cycle and an estimate of gross revenue for the remainder of  
18 the current annual operating cycle;

19 (3) projections of the gross revenue to be generated during  
20 the next annual operating cycle; and

21 (4) the difference between previous gross revenue estimates  
22 prepared under this section and the revenues actually generated.

23 Sec. 19.65.080. ANNUAL APPROPRIATION. (a) Commencing with  
24 appropriations for the fiscal year that begins July 1, 1991, on an  
25 annual basis and under AS 37.07 (Executive Budget Act), the legis-  
26 lature may appropriate amounts from the Alaska marine highway system  
27 fund to the Alaska marine highway system.

28 (b) The Department of Transportation and Public Facilities may  
29 request the legislature to appropriate money from the Alaska marine

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highway system fund to the marine highway system for capital improvements, if

(1) the appropriation under (a) of this section has been made;

(2) the amount in the fund, without regard to the appropriation under (a) of this section, exceeds the total of gross revenue deposited in the fund and the general fund appropriations under AS 19.65.060(a)(2) by 10 percent; and

(3) the amount requested for appropriation under this subsection does not exceed 50 percent of the balance remaining after the appropriation for annual management and operations is made under (a) of this section.

(c) The unexpended and unobligated balance of money appropriated from the Alaska marine highway system fund lapses into the Alaska marine highway system fund at the end of the fiscal year for which it was appropriated.

Sec. 19.65.100. DEFINITIONS. In AS 19.65.050 - 19.65.100,

(1) "annual operating cycle" means the annual state fiscal year beginning on July 1 and ending at midnight on the following June 30;

(2) "gross revenue" means all money, except money refunded to ticket holders and others for unused services, that is generated from the operation of the Alaska marine highway system, including that derived from vessel operations and uses of Alaska marine highway system facilities.

\* Sec. 2. This Act takes effect July 1, 1990.